

**DORAL FULL FLAVOR,
FULL FLAVOR MENTHOL
AND LIGHTS BOX**

INTRODUCTION IN

NEW AND EXISTING MARKETS

NESA (Excluding Cincinnati)

**Direct Account Introductory Period:
March 11 - April 5, 1996**

51842 5647

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Introductory Timetable

	<u>Dates</u>
Account Managers Begin Selling Direct Accounts and Chains	2/19/96 - 3/11/96
Direct Account Introductory Period.....	3/11/96 - 4/5/96
First Order Date - Promotional Product (Available at CDC For Order)	3/11/96
First Ship Date - Live Product (Available at Public Warehouse).....	3/11/96
All Promotional and Live (Allocated) Product Ordered and..... Shipped to Direct Accounts	3/29/96
POS Kits Carton/Pack Tags and Repacks - Available for Order.....	2/19/96
Available for Shipment.....	3/11/96
RJR Inventory Audit (Expansion Market Only)	4/8/96- 4/9/96

51842 5648

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Availability Areas/Regions

DORAL Full Flavor, DORAL Full Flavor Menthol and DORAL Lights Box will be made available in the following existing and expansion markets:

Expansion Regions

NESA 1100 Boston Region *

1200 New York Metro

1300 Philadelphia *

1600 Buffalo *

1700 Pittsburgh

* Currently has DORAL Full Flavor and Lights Box

(Balance of U.S. introducing DORAL Full Flavor and Lights Box only)

51842 5649

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Marketing and Sales Objectives/Strategies

DORAL Box products are an entry into the growing Savings Box category. These products will capitalize on the high development of Box packaging throughout your marketplace (35% of total industry is Box packaging).

Objective:

Optimize distribution on DORAL Box (83 FF, FF Menthol and Lts) within current availability markets and introduce in the balance of U.S. (without major disruption to current selling plans and Field Sales work load).

Key Strategies:

Maximize Box growth in light of Basic Box introduction and GPC activity (20% of GPC's volume is Box packaging). Obtain distribution via direct accounts/wholesalers with emphasis on retail accounts where savings is average to highly developed. Gain trial via display/product positioning, strong price communication with new Box POS and promotional offers.

- Distribution push in current DORAL Box Markets.
- Intro program (chain and distributors) in new and existing markets.
- Utilize direct accounts to gain distribution in retail accounts to minimize Field Sales involvement.
- In existing DORAL Box markets, include 25% of DORAL Box in March ashtray promotions where possible.
- Include DORAL Box in May DPC promotions (e.g., 50%).
- Include Box styles in consumer pricing/celling strategy.

Product and Packaging:

- DORAL Full Flavor, Full Flavor Menthol and Lights Box are consistent with the current DORAL Full Flavor, Full Flavor Menthol and Lights soft pack styles.
- Graphics are closely tied to current soft packs.
- Both Box products have cork filters consistent with our DORAL Full Flavor, Full Flavor Menthol and Lights soft pack styles, GPC and Basic Box styles.

Distribution Strategies:

- Obtain maximum distribution levels of DORAL Full Flavor, Full Flavor Menthol and Lights Box in accounts whose Savings/Savings Box category development is average to high. (Distribution objectives to be determined by your region based upon marketplace opportunity and communicated to direct accounts.)
- Primary Savings focus should be DORAL Box during the introductory period.
 - Direct Accounts to ensure distribution and delivery of DORAL Box live product and the B1G1F promotional offer to retail.
 - RJR Field Sales (during normal call coverage) to ensure DORAL Box POS is placed at retail to communicate price and create consumer awareness during introduction.

51842 5650

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Direct Account Fact Sheet - Live Product

Introductory Allowances - Live Product

An introductory promotional payment of \$5 per 6M case will be available on all DORAL Full Flavor Box, Full Flavor Menthol and Lights Box allocated and shipped between March 11 and April 5, 1996. This promotional payment will be deducted from invoice. Credit-worthy customers will receive an additional 14 days to the regular terms on allocated purchases.

An additional \$10 per 6M case will be available on all DORAL Full Flavor, Full Flavor Menthol and Lights Box allocated and shipped from the direct account to retail between March 11 and April 5, 1996. A one-time payment will be made to the direct account on product that was shipped to retail. Payments will be issued by RJR to the direct account.

Ordering

First Ship Date: March 11, 1996

Pricing

DORAL Box styles will only be available in 6M cases. List prices and terms will be the same as current styles of DORAL.

	<u>List Price</u>	<u>Carton</u>	<u>6M Case</u>
DORAL Full Flavor Box	\$43.95/M	\$8.79	\$263.70
DORAL Full Flavor Menthol	\$43.95/M	\$8.79	\$263.70
DORAL Lights Box	\$43.95/M	\$8.79	\$263.70

Product Dimensions & Weights

	<u>Length</u>	<u>Width</u>	<u>Height</u>	<u>Cube (ft.)</u>	<u>Weight</u>
Pack	2.2047"	0.9055"	3.4055"	.004	.933 oz.
Carton	11.125"	1.875"	3.4375"	.041	10.13 oz.
6M Case	17.375"	11.3125"	11.125"	1.265	19.8 lbs.

UPC Information

	<u>DORAL FF 83 Box</u>	<u>DORAL FF Menthol 83 Box</u>	<u>DORAL Lt 83 Box</u>
Pack	12300-84099	12300-23283	12300-84199
Carton	12300-84013	12300-23284	12300-84113
6M Case	12300-84006	12300-23285	12300-84106

R. J. REYNOLDS TOBACCO COMPANY

51842 5651

DORAL Full Flavor, Full Flavor Menthol

Direct Account Fact Sheet - Promotional Product B1G1F

An introductory B1G1F program has been designed to provide trial on DORAL Full Flavor Box and DORAL Full Flavor Menthol Box (only DORAL Full Flavor Box and Full Flavor Menthol Box will be included in the B1G1F offer because these styles are strong performers in your markets).

DORAL FF and FF Menthol - Promotion Details

<u>Promotion Number:</u>	600895
<u>First Order Date:</u>	3/11/96
<u>Promotional Product Code:</u>	DORAL FF Box B1G1F 12300-22362 (6M Case) DORAL FF Menthol B1G1F 12300-22373 (6M Case) (All product shipped in white cartons)
<u>Display/Shipper Information:</u>	Special Shipper/B1G1F Kit #508880 (1/SKU) (Contains 1 Pack Display and 1 Offer-Specific Riser Card for Display)
<u>Display Load:</u>	Kit has been designed to hold: 2 Cartons - DORAL FF Box 2 Cartons - DORAL FF Menthol Box Direct Account to place 4 cartons of promoted product in kit and ship to retailer by April 5, 1996 (RJR to furnish illustration of kit).
<u>Special Display Allowance:</u>	A special display payment of \$2 per display (\$15 per 6M case) will be issued to the direct account by RJR for selling in the displays at retail by April 5, 1996.

51842 5652

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Account Managers/Reps and ROU Information

Live Product Allocations

Direct account allocations may be viewed in BPE as Promotion #495 in the "A20 New Brand Allocation" function. Drive period is 603-00 Domestic. Allocations were based on the direct account's purchase of DORAL Full Flavor, Full Flavor Menthol and Lights Soft Pack during the last 12 months. (Steps for viewing allocations are attached.)

All live product allocation change requests should be forwarded to your Area Manager of Operations for approval by March 11, 1996.


B1G1F Promotion Details

<u>Promotion #:</u>	600895
<u>Allocations Available in BPE:</u>	2/19/96
<u>First Order Date:</u>	3/11/96
<u>Display:</u>	#508880 (1/SKU) Contains 1 Pack Display, 1 Riser Card
<u>POS Available for Order:</u>	2/19/96
<u>POS Available for Shipment:</u>	3/11/96
<u>Reporting Codes:</u>	DOR BOX B1G1F (Report # Offers) Dates: 4/1/96-5/31/96 (For ROU Reporting) DOR BX DPLY PAY (Rate \$2.00) Dates: 4/1/96-5/31/96 (TPS Only)

The \$2 display payment is to be issued by the ROU to the direct account for displays they sell. The \$2 display payment may also be issued to direct chains for displays RJR Account Managers sell.

Only the DORAL Full Flavor and Full Flavor Menthol Box will be available for the B1G1F promotion due to these being stronger performers in your regions.

RJR Inventory Audit

 Expansion Markets (Regions 1200 and 1700) - The additional \$10 per 6M case will be available on all allocated product that has been shipped from the direct account to the retailer between March 11 - April 5, 1996. The ROU will have access to a report in BPE on Monday, April 8, which will list the direct account's number of cases allocated, ordered and shipped with a blank area for existing inventories. The report should then be distributed to the appropriate Account Managers/Reps who will record the on-hand inventory on April 8 and 9. The ROU will be responsible for entering the final information "on-line" in BPE by April 12. Customer Services will issue a payment to the direct account(s) based on this data. Payments will not exceed the allocated quantity.

Existing Box Markets (Regions 1100, 1300 and 1600)

To eliminate a "count/recount" (pre-audit) of existing inventory of DORAL FF Box and Lts Box, the account managers/ reps with direct account responsibilities will not be required to do a physical inventory audit of these two styles to verify payment to direct accounts on allocated quantities. Payments will be made based on actual shipments made to these accounts on allocated quantities of these two styles. However, it is your responsibility to ensure that this product is moved to retail by April 5. An audit will be required on the remaining DORAL Full Flavor Menthol Box product on April 8-9 that has not moved to retail.

51842 5653

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Account Managers/Reps
and ROU Information

POS Support:

Available for Order 2/19/96
Available for Shipment 3/11/96

Description	Item #	SKU Packing
24" Package Merchandiser Card w/pricing	508172	1
Large Paster w/pricing	508175	1
Pack Starburst w/pricing	508181	1
Wobbler w/pricing	508184	1
Folded Shelf Strip w/pricing	508190	1
* DORAL Menthol Box B1G1F/Shipper Kit	508880	1
DORAL FF Box Carton End Label	470444 499760	10 Sheets 1/Sheet
DORAL Lt Box Carton End Label	470450 499772	10 Sheets 1/Sheet
DORAL FF Menthol Box Carton End Label	508922	10 Sheets
DORAL Pack Tag - FF, Lt Box	470441	1 Sheet
DORAL Pack Tag - FF Menthol Box	508940	1 Sheet
DORAL FF Box Repack	470453	100 1
DORAL Lt Box Repack	470462	100 1
DORAL FF Menthol Box Repack	509522	100 1

(POS and Kits to be allocated to regions)

*Illustration of Shipper Kit will be "faxed" to your ROU.

Brand Tables:

DORAL FF, FF Menthol and Lights Box will be entered into the brand tables on 3/11/96 and remain in the tables through the end of the year in order to read distribution data.

Shelf Life:

DORAL FF, FF Menthol and Lights Box will follow our standard shelf life policy.

51842 5654

DORAL Full Flavor, Full Flavor Menthol and Lights Box

Steps for Viewing "Live Product" Allocations in BPE

1. Access BPE in normal manner.
2. Request A20 New Brand Allocations.
3. Select from the following functions:

- A2R Reports
- A21 Allocations by Sales Level
- A22 Inquiry by Account Level
- A25 Direct Account Inquiry by Promotion

These functions are similar to BSGSF promotional product allocations with the exception that updates or changes cannot be made to the quantities.

If you have questions, please call Stephanie Fields, extension #7742.